

Palm oil and forests can grow together: WB

While Indonesia is on the right track with environmental preservation, economic growth can improve through clear incentives in forestry management, the World Bank says.

Andrew Steer, the World Bank's special envoy for climate change, said that Indonesia's commitment was one of the most important for the emerging world but challenges remain.

Obscure forest management that offered no incentives for conservation meant people saw it as more profitable to deforest, he said.

"It requires a different regulatory environment with greater clarity, consistency and understanding to address the incentives," he said.

On Tuesday, President Susilo Bambang Yudhoyono opened the Forest Indonesia conference with a commitment that he would dedicate the remaining three years of his term of office to protecting the environment, while also focusing on poverty eradication.

The President vowed that the government would change the country's forest management plan, emphasizing the balance between conservation and development.

Steer said that there were skeptics who said that, due to the world's dependency on forest-based products, if Indonesia protected forests it would have to forgo economic growth. He said that this was not so as Indonesia recorded 6.1 percent economic growth last year.

"If forestry and the palm oil sector had not grown, Indonesian growth would have been one-twentieth of 1 percent, instead of the 6.1 percent recorded last year," he said.

Steer said that to help boost the economy, there should be a strong palm oil industry with expansion and exports, but Indonesia should do it in a different way. Rather than expanding the plantation area, Indonesia should focus on intensification of existing lands.

He said that locating palm oil plantation on 8.5 million hectares of degraded land would be a win-win solution.

"We'd like to be helpful and support the Indonesian government on the land title issue. We want to make it easier for palm oil to invest in degraded land and to make it more attractive for business," Steer said.

He praised the President's REDD+ Taskforce that included the Land Agency head and officials from the Agriculture Ministry.

Werner Kornexl, World Bank's senior climate change specialist, said that Indonesia could learn from Brazil, who started 20 years earlier on forest preservation.

"Brazil also faced problems on land title, with double or triple certification, as well as corruption. The problems were solved by involving public monitoring and various methods, even soap operas," he said.

He explained that Brazil used scientific methods to produce analytical work on land condition, design clear strategies to ensure employment, make regional spatial planning maps and ensure that everyone used the same map as well as providing incentives and disincentives.